

## Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name CLINTON	County LENAWEE	Type TOWNSHIP	MuniCode 46-1-040
Opinion Date MAY 23, 2008	Audit Submitted Jun 9, 2008	Fiscal Year 2008	

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/> 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> 5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> 6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> 12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? <u>NA</u>
<input checked="" type="checkbox"/> 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/> 18. Are there reported deficiencies? <input checked="" type="checkbox"/> 19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 294,778.00
General Fund Expenditure:	\$ 325,899.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 235,443.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name) PHILIP	Last Name RUBLEY	Ten Dgt License Number 1101009223
CPA Street Address 133 W MAIN STREET	City MORENCI	State MI Zip Code 49256 Telephone +1 (517) 458-2274
CPA Firm Name PHILIP R RUBLEY, CPA	Unit's Street Address 172 W MICHIGAN AVE	City CLINTON Zip Code 49236

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**CLINTON TOWNSHIP  
LENAWEE COUNTY, MICHIGAN  
ANNUAL FINANCIAL REPORT  
MARCH 31, 2008**

**CLINTON TOWNSHIP, MICHIGAN  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED MARCH 31, 2008**

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**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report	1 - 2
Management Discussion and Analysis	3 - 8
Government – Wide Statement of Net Assets	9
Government – Wide Statement of Activities	10 - 11
Governmental Fund Balance Sheet	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	13
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Fiduciary Funds Statement of Net Assets	16
Notes to Financial Statements	17 - 25
 <b><u>REQUIRED SUPPLEMENTAL INFORMATION</u></b>	
Budgetary Comparison Schedule – General Fund	26
Budgetary Comparison Schedule – Fire Fund (Major Special Revenue Fund)	27
Combining Balance Sheet – Non-Major Governmental Funds	28
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	29

# PHILIP R. RUBLEY

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'S  
& THE MICHIGAN ASSOCIATION OF C.P.A.'S

May 23, 2008

Township Board  
Clinton Township  
Lenawee County  
P.O. Box G  
172 W. Michigan Ave.  
Clinton, Michigan 49236

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Clinton Township, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clinton Township, Michigan, management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented components unit, each major fund, and the aggregate remaining fund information of the Clinton Township, Michigan, as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

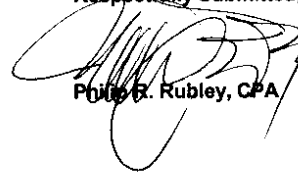
The management's discussion and analysis and budgetary comparison information on pages 3 through 8, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clinton Township, Michigan basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Clinton Township  
May 23, 2008

The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Philip R. Rubley", is written over the printed name.

Philip R. Rubley, CPA

PRR/cab

**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**Using This Annual Report**

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Township of Clinton, Michigan on a government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

**Overview Of The Financial Statements**

The Township's basic financial statements are comprised of three components:

- A) Government-wide financial statements.
- B) Fund financial statements.
- C) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Township maintains 4 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and fire each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

**Notes To The Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods.

**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community development, and capital outlay.

The government-wide financial statements includes not only the Township itself (known as the *primary government*), but a component unit which is the Clinton Township Public Library of Clinton, Michigan.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into one category; governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Other Information**

The Township has reported under required supplementation information, information about the General Fund and Fire Fund, which are Major Type Funds, and Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Type Governmental Funds.

**The Township As A Whole**

The Township's net assets for the year ended March 31, 2008 increased by 2.79% over the prior year.

The governmental activities reflect net assets of \$777,931 and the component unit-type (Library) of \$1,133,812.

**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

<b>CLINTON TOWNSHIP, MICHIGAN</b>		
<b>STATEMENT OF ACTIVITIES</b>		
<b><u>Governmental Activities</u></b>		
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Revenue</u></b>		
Program Revenue:		
Charges for Services	\$103,370	\$ 75,997
Operating Grants and Contributions	1,881	17,669
General Revenue:		
Property Taxes	300,889	290,188
Grants and Contributions Not		
Restricted To Specific Program	95,685	94,774
Other	<u>26,015</u>	<u>23,344</u>
<b>Total Revenue</b>	<u>527,840</u>	<u>501,972</u>
<b><u>Expenses</u></b>		
General Government	178,041	178,950
Public Safety	205,051	199,270
Public Works	120,328	37,793
Community and Economic Development	<u>3,317</u>	<u>3,098</u>
<b>Total Expenses</b>	<u>506,737</u>	<u>419,111</u>
<b>Increase in Net Assets</b>	21,103	82,861
<b>Net Assets Beginning of Year</b>	<u>756,828</u>	<u>673,967</u>
<b>Net Assets End of Year</b>	<u>\$777,931</u>	<u>\$756,828</u>



**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

<b>CLINTON TOWNSHIP, MICHIGAN</b>		
<b>STATEMENT OF ACTIVITIES</b>		
<b><u>Component Unit Library</u></b>		
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>Revenue</u></b>		
Program Revenue:		
Charges for Services	\$ 8,594	\$ 5,476
Operating Grants and Contributions	21,461	21,125
General Revenue:		
Property Taxes	105,898	99,755
Grants and Contributions Not		
Restricted To Specific Program	29,020	27,264
Other	<u>11,806</u>	<u>16,466</u>
<b>Total Revenue</b>	<u>176,779</u>	<u>170,086</u>
<b><u>Expenses</u></b>		
Library	<u>176,176</u>	<u>170,278</u>
<b>Total Expenses</b>	<u>176,176</u>	<u>170,278</u>
<b>Increase (Decrease) In Net Assets</b>	603	(192)
<b>Net Assets Beginning of Year</b>	<u>1,133,209</u>	<u>1,133,401</u>
<b>Net Assets End of Year</b>	<u>\$1,133,812</u>	<u>\$1,133,209</u>

**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

**CLINTON TOWNSHIP, MICHIGAN**  
**STATEMENT OF NET ASSETS**

**Governmental Activities**

	<b><u>2008</u></b>	<b><u>2007</u></b>
Current and Other Assets	\$ 636,556	\$ 656,724
Capital Assets	<u>143,695</u>	<u>102,887</u>
<b>Total Assets</b>	<b><u>\$ 780,251</u></b>	<b><u>\$ 759,611</u></b>
Other Liabilities	<u>\$ 2,320</u>	<u>\$ 2,783</u>
<b>Total Liabilities</b>	<b><u>2,320</u></b>	<b><u>2,783</u></b>
<b><u>Net Assets</u></b>		
Invested in Capital Assets	143,695	102,887
Designated and Restricted	479,888	431,765
Unrestricted	<u>154,348</u>	<u>222,176</u>
<b>Total Net Assets</b>	<b><u>\$ 777,931</u></b>	<b><u>\$ 756,828</u></b>

**Component Unit - Library**

	<b><u>2008</u></b>	<b><u>2007</u></b>
Current and Other Assets	\$ 413,354	\$ 391,138
Capital Assets	<u>721,394</u>	<u>743,006</u>
<b>Total Assets</b>	<b><u>\$1,134,748</u></b>	<b><u>\$1,134,144</u></b>
Other Liabilities	<u>\$ 936</u>	<u>\$ 935</u>
<b>Total Liabilities</b>	<b><u>936</u></b>	<b><u>935</u></b>
<b><u>Net Assets</u></b>		
Invested in Capital Assets	721,394	743,006
Designated and Restricted	178,184	171,664
Unrestricted	<u>234,234</u>	<u>218,539</u>
<b>Total Net Assets</b>	<b><u>\$1,133,812</u></b>	<b><u>\$1,133,209</u></b>

**CLINTON TOWNSHIP, MICHIGAN**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**Government Activities**

Government activities increased the Township's net assets by \$21,103.

**The Township's Funds**

Our analysis of the Township's funds begins on Page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Board of Trustees and management creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, etc.

**General Fund Budgetary Highlights**

Differences between the original budget and amended budget were minor.

**Capital Assets And Debt Administration**

The Township's investment in capital assets for its governmental activities as of March 31, 2008, amounted to \$143,695 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, highways, and bridges.

The Library-component unit investment in capital assets was \$721,394 (net of accumulated depreciation).

**Economic Factors And Next Year's Budget And Rates**

The Township's budget for 2008-2009 fiscal year has taken inconsideration, the economic condition of the State of Michigan anticipating reduced state share revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

**Contacting The Township's Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 172 W. Michigan Ave., Clinton, Michigan 49236.

**CLINTON TOWNSHIP, MICHIGAN**  
**Government-wide Statement of Net Assets**  
**March 31, 2008**

	<b>Governmental Activities</b>	<b>Component Unit - Library</b>	<b>Totals (Memorandum Only) Reporting Entity</b>
<b><u>Assets</u></b>			
Cash and Equivalents	\$584,449	\$ 396,997	\$ 981,446
Receivables - Net	28,680	10,116	38,796
Prepaid Items and Other Assets	23,427	6,241	29,668
Capital Assets Not Being Depreciated	38,800	---	38,800
Capital Assets Being Depreciated - Net	<u>104,895</u>	<u>721,394</u>	<u>826,289</u>
<b>Total Assets</b>	<b><u>\$780,251</u></b>	<b><u>\$1,134,748</u></b>	<b><u>\$1,914,999</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable and Accrued Expenses	<u>\$ 2,320</u>	<u>\$ 936</u>	<u>\$ 3,256</u>
<b>Total Liabilities</b>	<b><u>2,320</u></b>	<b><u>936</u></b>	<b><u>3,256</u></b>
<b><u>Net Assets</u></b>			
Invested In Capital Assets, Restricted For	143,695	721,394	865,089
Fire	202,534	---	202,534
Capital Projects - Library	---	178,184	178,184
Designated - Development	85,107	---	85,107
Perpetual Care	192,247	---	192,247
Unrestricted	<u>154,348</u>	<u>234,234</u>	<u>388,582</u>
<b>Total Net Assets</b>	<b><u>\$777,931</u></b>	<b><u>\$1,133,812</u></b>	<b><u>\$1,911,743</u></b>

The notes to financial statements are an integral part of this statement.

Page 9

**CLINTON TOWNSHIP, MICHIGAN**  
**Government-wide Statement of Activities**  
**For The Year Ended March 31, 2008**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Net (Expenses) Revenues</u>
<b><u>Primary Government</u></b>					
<b><u>Governmental Activities:</u></b>					
General Government	\$178,041	\$ 96,726	\$ 1,881	\$ ---	\$ (79,434)
Public Safety	205,051	6,644	---	---	(198,407)
Public Works	120,328	---	---	---	(120,328)
Community and Economic Development	<u>3,317</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(3,317)</u>
<b>Total Governmental Activities</b>	<u>506,737</u>	<u>103,370</u>	<u>1,881</u>	<u>---</u>	<u>(401,486)</u>
<b>Total Primary Government</b>	<u>\$506,737</u>	<u>\$103,370</u>	<u>\$ 1,881</u>	<u>\$ ---</u>	<u>\$ (401,486)</u>
<b><u>Component Unit:</u></b>					
Library	\$176,176	\$ 8,594	\$21,461	\$ ---	\$ (146,121)
<b>Total Component Unit</b>	<u>\$176,176</u>	<u>\$ 8,594</u>	<u>\$21,461</u>	<u>\$ ---</u>	<u>\$ (146,121)</u>

**CLINTON TOWNSHIP, MICHIGAN**  
**Government-wide Statement Of Activities (Concluded)**  
**For The Year Ended March 31, 2008**

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Component Unit - Library</u>
<b><u>Changes In Net Assets</u></b>		
Net (Expense) Revenue	\$ (401,486)	\$ (146,121)
General Revenues:		
Property Taxes	300,889	105,898
Grants and Contributions		
Not Restricted To		
Specific Programs	95,685	29,020
Unrestricted Investment		
Earnings and Rentals	22,451	11,806
Franchise & Metro, Etc.	<u>3,564</u>	<u>---</u>
<b>Total General Revenues, Contributions and Transfers</b>	<u>422,589</u>	<u>146,724</u>
 <b>Change In Net Assets</b>	 21,103	 603
 <b>Net Assets, Beginning of Year</b>	 <u>756,828</u>	 <u>1,133,209</u>
 <b>Net Assets, End of Year</b>	 <u>\$ 777,931</u>	 <u>\$1,133,812</u>

The notes to financial statements are an integral part of this statement.

**CLINTON TOWNSHIP, MICHIGAN**  
**Governmental Funds**  
**Balance Sheet**  
**March 31, 2008**

	<b><u>General Fund</u></b>	<b><u>Fire Fund</u></b>	<b><u>Other Non-Major Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$215,290	\$175,358	\$193,801	\$584,449
Prepaid Expenses	3,129	---	693	3,822
Receivables - Net	11,254	17,426	---	28,680
Due From Other Funds	<u>8,851</u>	<u>10,754</u>	<u>1,945</u>	<u>21,550</u>
<b>Total Assets</b>	<b><u>\$238,524</u></b>	<b><u>\$203,538</u></b>	<b><u>\$196,439</u></b>	<b><u>\$638,501</u></b>
<b><u>LIABILITIES</u></b>				
Accounts Payable/				
Accrued Liabilities	\$ 2,058	\$ ---	\$ 50	\$ 2,108
Due to Other Funds	212	---	1,945	2,157
Deferred Revenue	<u>811</u>	<u>1,004</u>	<u>---</u>	<u>1,815</u>
<b>Total Liabilities</b>	<b><u>3,081</u></b>	<b><u>1,004</u></b>	<b><u>1,995</u></b>	<b><u>6,080</u></b>
<b><u>FUND BALANCES</u></b>				
Reserved for Development	85,107	---	---	85,107
Perpetual Care	---	---	192,247	192,247
Unreserved	150,336	---	2,197	152,533
Restricted	<u>---</u>	<u>202,534</u>	<u>---</u>	<u>202,534</u>
<b>Total Fund Balances</b>	<b><u>235,443</u></b>	<b><u>202,534</u></b>	<b><u>194,444</u></b>	<b><u>632,421</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$238,524</u></b>	<b><u>\$203,538</u></b>	<b><u>\$196,439</u></b>	<b><u>\$638,501</u></b>

The notes to financial statements are an integral part of this statement.

**CLINTON TOWNSHIP, MICHIGAN**  
**Reconciliation of Fund Balances On The Balance Sheet For Governmental Funds**  
**To Net Assets Of Governmental Activities On The Statement of Net Assets**  
**March 31, 2008**

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<b>Fund Balances – Total Governmental Funds</b>	\$632,421
-------------------------------------------------	-----------

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the funds.

<b>Add:</b> Capital Assets	216,716
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<b>Deduct:</b> Accumulated Depreciation	(73,021)
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Revenue that has been billed as a receivable, but not collected  
until later years, was not reported in the funds.

<b>Add:</b> Deferred Revenue	<u>1,815</u>
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<b>Net Assets of Governmental Activities</b>	<u>\$777,931</u>
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**CLINTON TOWNSHIP, MICHIGAN**  
**Governmental Funds**  
**Statement of Revenue, Expenditures, and Changes In Fund Balances**  
**For The Year Ended March 31, 2008**

	<b>General Fund</b>	<b>Fire Fund</b>	<b>Other Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>REVENUES</u></b>				
Taxes and Assessments	\$ 98,229	\$201,848	\$ ---	\$300,077
Intergovernmental	95,685	---	---	95,685
Licenses and Permits	6,644	---	---	6,644
Charges for Services	26,995	---	13,283	40,278
Interest and Rentals	12,143	459	9,849	22,451
Other	55,082	1,181	5,630	61,893
<b>Total Revenue</b>	<b>294,778</b>	<b>203,488</b>	<b>28,762</b>	<b>527,028</b>
<b><u>EXPENDITURES</u></b>				
Current:				
General Government	134,042	---	37,202	171,244
Public Safety	9,507	195,544	---	205,051
Public Works	120,328	---	---	120,328
Community Economic Development	3,317	---	---	3,317
Capital Outlay	47,605	---	---	47,605
<b>Total Expenditures</b>	<b>314,799</b>	<b>195,544</b>	<b>37,202</b>	<b>547,545</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(20,021)</b>	<b>7,944</b>	<b>(8,440)</b>	<b>(20,517)</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	---	---	11,100	11,100
Transfers (Out)	(11,100)	---	---	(11,100)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,100)</b>	<b>---</b>	<b>11,100</b>	<b>---</b>
<b>Net Change In Fund Balances (Decrease)</b>	<b>(31,121)</b>	<b>7,944</b>	<b>2,660</b>	<b>(20,517)</b>
<b>Fund Balances – Beginning of Year</b>	<b>266,564</b>	<b>194,590</b>	<b>191,784</b>	<b>652,938</b>
<b>Fund Balances – End of Year</b>	<b>\$235,443</b>	<b>\$202,534</b>	<b>\$194,444</b>	<b>\$632,421</b>

The notes to financial statements are an integral part of this statement.

**CLINTON TOWNSHIP, MICHIGAN**  
**Reconciliation Of The Statement Of Revenues, Expenditures,**  
**And Changes In Fund Balances Of Governmental Statement Of Activities**  
**March 31, 2008**

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**Net Change In Fund Balances – Total Governmental Funds** \$(20,517)

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense.

**Add:** Capital Outlay 47,605

**Deduct:** Depreciation Expense (6,797)

Revenue deferred on the governmental funds report, which has  
been charged to receivable and thus income on the statement  
of activities 812

**Change In Net Assets Of Governmental Activities** \$21,103

CLINTON TOWNSHIP, MICHIGAN  
Fiduciary Funds – Statement of Net Assets  
March 31, 2008

	<u>Tax Collection Fund</u>	<u>Other Agency Funds</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents	<u>\$103,085</u>	<u>\$1,404</u>
<b>Total Assets</b>	<u>\$103,085</u>	<u>\$1,404</u>
<b><u>Liabilities</u></b>		
Due to Other Funds	\$ 21,737	\$ 490
Other Payables	<u>81,348</u>	<u>914</u>
<b>Total Liabilities</b>	<u>\$103,085</u>	<u>\$1,404</u>

The notes to financial statements are an integral part of this statement.

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Clinton Township, Michigan conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**A. Reporting Entity**

Clinton Township, Michigan is governed by an elected board. The accompanying financial statements present the government for which government is considered to be financially accountable.

Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Discretely Presented Component Units** – The Clinton Township Public Library of Clinton, Michigan is governed by a legally elected board as established under PA 164 of 1877. The Library was formed to promote educational and historical information for residents, etc.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The Township presently does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, intergovernmental revenue licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

**The General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**The Fire Fund** is a special Revenue Fund that receives monies from property taxes for the purpose of supporting fire and ambulance services for Clinton Township residents.

Additionally, the government reports the following fund types:

The Agency Funds account for assets held by the Township acting as an agent for individuals, private organizations, other governments and/or other funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for any business-type activities and enterprise funds. Presently Clinton Township has no business-type activities and enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

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**D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Assets, Liabilities, and Net Assets or Equity**

1. **Bank Deposits and Investment** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loans associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. **Receivables and Payables** – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."
3. **Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.
4. **Inventories** – All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.
5. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20 - 50
Building	10 - 50
Machinery, Equipment, And Furnishings	5 - 35
Utility Systems	50 - 100
Infrastructure	15 - 100
Vehicles	5 - 15

6. **Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. **Budgetary Information** – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before the end of March of each year, the Board of Trustees presents the proposed budget for review and holds public hearings and a final budget is adopted.

The appropriated budget is prepared by fund, function and activity. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is with the Board of Trustees.

- B. **Excess of Expenditures Over Appropriations in Budget Funds** – P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2008, the government incurred expenditures in excess of amounts appropriated at the legal level of budgetary control as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government:			
Legal and Accounting	14,157	15,179	1,022
Capital Outlay	43,500	47,605	4,105
Transfer to Other Funds	10,000	11,100	1,100

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The government unit's deposits and investment policy are in accordance with statutory authority.

Investments made by the Township are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1:** Insured or registered, or securities held by the Township or its agent in the Township's name.
- Category 2:** Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
- Category 3:** Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

	<b>Category 1</b>	<b>2</b>	<b>3</b>	<b>Carrying Value</b>	<b>Market Value</b>
Checking and Saving Acct.	\$ 2,008	\$958,176	\$ ---	\$ 960,184	\$ 960,184
Certificate of Deposits	<u>125,751</u>	<u>---</u>	<u>---</u>	<u>125,751</u>	<u>125,751</u>
	<u>\$127,759</u>	<u>\$958,176</u>	<u>\$ ---</u>	<u>\$1,085,935</u>	<u>\$1,085,935</u>

**Balance Sheet Cash And Cash Investments**

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosures for the Township's deposits are as follows:

<b><u>Deposits</u></b>	<b><u>Carrying Amount</u></b>
Insured (FDIC) (FSLIC)	\$ 127,759
Uninsured:	
Uncollateralized	<u>958,176</u>
<b>Total</b>	<u>\$1,085,935</u>

Cash and cash investments includes Trust and Agency Funds of \$104,489 and the Clinton Township Public Library of \$396,997.



**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

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**Deposits Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2008, \$958,176 of the Township's \$1,085,935 was exposed to custodial credit risk as follows:

Uninsured and Collateralized    \$958,176

**Investment Custodial Credit Risk**

The Township has all of its investments in money market and certificate of deposits, thus not subject to investment credit risk.

**Concentration of Credit Risk**

The Township places no limit on the amount they may invest in one issue. 100% of their investments at March 31, 2008 are in savings accounts, money market accounts and certificate of deposits.

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year ended March 31, 2008 was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
<b><u>Governmental Activities</u></b>				
Capital Assets, Not Being Depreciated:				
Other	\$ 38,800	\$ ---	\$ ---	\$ 38,800
	<u>38,800</u>	<u>---</u>	<u>---</u>	<u>38,800</u>
Capital Assets, Being Depreciated:				
Buildings	99,539	43,475	---	143,014
Equipment	<u>30,772</u>	<u>4,130</u>	<u>---</u>	<u>34,902</u>
<b>Total Capital Assets Being Depreciated</b>	<u>130,311</u>	<u>47,605</u>	<u>---</u>	<u>177,916</u>
Less Accumulated Depreciation For:				
Buildings	(39,800)	(5,213)	---	(45,013)
Equipment	<u>(26,424)</u>	<u>(1,584)</u>	<u>---</u>	<u>(28,008)</u>
<b>Total Accumulated Depreciation</b>	<u>(66,224)</u>	<u>(6,797)</u>	<u>---</u>	<u>(73,021)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>64,087</u>	<u>40,808</u>	<u>---</u>	<u>104,895</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 102,887</u>	<u>\$ 40,808</u>	<u>\$ ---</u>	<u>\$ 143,695</u>
<b><u>Component Unit - Library</u></b>				
Capital Assets, Not Being Depreciated:				
Buildings	\$1,120,920	\$ 2,991	\$ ---	\$1,123,911
Equipment, Books, Videos	<u>295,900</u>	<u>---</u>	<u>---</u>	<u>295,900</u>
<b>Total Capital Assets Being Depreciated</b>	<u>1,416,820</u>	<u>2,991</u>	<u>---</u>	<u>1,419,811</u>
Less Accumulated Depreciation For:				
Buildings	(380,264)	(22,653)	---	(402,917)
Equipment	<u>(293,550)</u>	<u>(1,950)</u>	<u>---</u>	<u>(295,500)</u>
<b>Total Accumulated Depreciation</b>	<u>(673,814)</u>	<u>(24,603)</u>	<u>---</u>	<u>(698,417)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>743,006</u>	<u>(21,612)</u>	<u>---</u>	<u>721,394</u>
<b>Component Unit-Library Capital Assets, Net</b>	<u>\$ 743,006</u>	<u>\$ (21,612)</u>	<u>\$ ---</u>	<u>\$ 721,394</u>

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

Depreciation expense was charged to functions/programs of the Township as follows:

**Governmental Activities:**

General Government	\$ 6,797
<b>Total Depreciation Expense</b> <b>Governmental Activities</b>	<b><u>\$ 6,797</u></b>

**Component Unit-Library:**

Library	<u>\$24,603</u>
<b>Total Depreciation Expense</b> <b>Component Unit-Library Activities</b>	<b><u>\$24,603</u></b>

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

At March 31, 2008, the following were interfund receivables and payables in the fund statement.

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
Trust & Agency	\$ ---	\$ 490
Library – Component Unit	2,834	---
General	8,851	212
Cemetery	1,249	696
Tax Collection	---	21,737
Cemetery Perpetual Care	696	1,249
Fire	<u>10,754</u>	<u>---</u>
	<b><u>\$24,384</u></b>	<b><u>\$24,384</u></b>

The interfund receivables and payables are anticipated to be repaid in the next fiscal year.

**NOTE 6 – TRANSFERS**

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted, to or allowed for debt services from the funds collecting the receipts to the debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs, accounted for in other funds in accordance with budgetary authorizations.

<b><u>Fund</u></b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
General	\$ ---	\$11,100
Cemetery	<u>11,100</u>	<u>---</u>
	<b><u>\$11,100</u></b>	<b><u>\$11,100</u></b>

**CLINTON TOWNSHIP, MICHIGAN**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 7 – PROPERTY TAXES:**

The Township bills and collects its own property taxes and also taxes for the County and School Districts within its jurisdiction. Collections and remittances of the County and School taxes are accounted for in the Current Tax Collection Agency Fund. Township property tax revenues are recognized as revenues in the fiscal year levied to the extent that they result in current receivables.

Property taxes are assessed December 31<sup>st</sup> and are levied on June 1<sup>st</sup>. Taxes become delinquent on August 31<sup>st</sup> with a interest charge beginning October 1<sup>st</sup>. All delinquent taxes are charged with a penalty.

**NOTE 8 – PENSION PLAN**

The Township has no pension plan at March 31, 2008.

**NOTE 9 – OTHER INFORMATION**

**Risk Management**

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2008, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**CLINTON TOWNSHIP, MICHIGAN**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended March 31, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<b><u>Beginning of Year Fund Balance</u></b>				
<b>Resources (Inflows)</b>	\$180,000	\$180,000	\$266,564	\$ 86,564
Taxes and Assessments	95,950	95,950	98,229	2,279
Intergovernmental	92,500	92,500	95,685	3,185
Licenses and Permits	9,400	9,400	6,644	(2,756)
Charges for Services	27,375	27,375	26,995	(380)
Interest and Rentals	5,000	5,000	12,143	7,143
Other	25,000	25,000	55,082	30,082
<b>Amounts Available for Appropriation</b>	<u>435,225</u>	<u>435,225</u>	<u>561,342</u>	<u>126,117</u>
<b><u>Charges to Appropriations (Outflows)</u></b>				
<b>General Government</b>				
Legislative Board/General	12,025	14,272	13,783	489
Trustee	5,135	5,135	4,260	875
Supervisor	12,225	12,225	11,050	1,175
Board of Review	2,390	2,390	1,763	627
Treasurer	27,689	28,336	26,283	2,053
Assessor	25,944	28,949	25,536	3,413
Clerk	24,132	24,301	23,706	595
Elections	4,605	4,605	2,991	1,614
Legal and Professional	11,500	14,157	15,179	(1,022)
Buildings and Grounds	3,600	5,034	5,012	22
Insurance	5,000	5,000	4,479	521
<b>Public Safety</b>				
Inspections	15,850	15,850	9,507	6,343
<b>Community Economic Development</b>	5,240	5,287	3,317	1,970
<b>Public Works</b>				
Highways	150,000	150,000	118,050	31,950
Drains	1,000	1,921	1,921	---
Lighting	500	500	357	143
<b>Capital Outlay</b>	30,000	43,500	47,605	(4,105)
<b>Other Functions</b>	88,390	63,763	---	63,763
<b>Transfers to Other Funds</b>	<u>10,000</u>	<u>10,000</u>	<u>11,100</u>	<u>(1,100)</u>
<b>Total Charges to Appropriations</b>	<u>435,225</u>	<u>435,225</u>	<u>325,899</u>	<u>109,326</u>
<b>Ending of Year Fund Balance</b>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$235,443</u>	<u>\$235,443</u>

The notes to financial statements are an integral part of this statement.

**CLINTON TOWNSHIP, MICHIGAN**  
**Budgetary Comparison Schedule**  
**Fire Fund (Major Special Revenue Funds)**  
**For The Year Ended March 31, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<b><u>Beginning of Year Fund Balance</u></b>	\$194,590	\$194,590	\$194,590	\$ ---
<b><u>Resources (Inflows)</u></b>				
Taxes	198,968	198,968	201,848	2,880
Interest Income	---	---	459	459
Contributions	---	---	1,181	1,181
<b><u>Amounts Available for     Appropriation</u></b>	<u>393,558</u>	<u>393,558</u>	<u>398,078</u>	<u>4,520</u>
<b><u>Charges to Appropriations (Outflows)</u></b>				
<b><u>Public Safety</u></b>				
Fire	<u>194,590</u>	<u>194,590</u>	<u>195,544</u>	<u>954</u>
<b><u>Total Charges to Appropriations</u></b>	<u>194,590</u>	<u>194,590</u>	<u>195,544</u>	<u>954</u>
<b><u>Ending of Year Fund Balance</u></b>	<u>\$198,968</u>	<u>\$198,968</u>	<u>\$202,534</u>	<u>\$3,566</u>

CLINTON TOWNSHIP, MICHIGAN  
Combining Balance Sheet  
Non-Major Governmental Funds  
March 31, 2008

	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Cemetery</u>	<u>Cemetery Perpetual Care</u>	
<b><u>Assets</u></b>			
Cash	\$1,001	\$192,800	\$193,801
Due from Other Funds	1,249	696	1,945
Prepaid Insurance	693	---	693
<b>Total Assets</b>	<b><u>\$2,943</u></b>	<b><u>\$193,496</u></b>	<b><u>\$196,439</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 50	\$ ---	\$ 50
Due to Other Funds	696	1,249	1,945
<b>Total Liabilities</b>	<b><u>746</u></b>	<b><u>1,249</u></b>	<b><u>1,995</u></b>
<b><u>Fund Balance</u></b>	<b><u>2,197</u></b>	<b><u>192,247</u></b>	<b><u>194,444</u></b>
<b>Total Liabilities And Fund Balances</b>	<b><u>\$2,943</u></b>	<b><u>\$193,496</u></b>	<b><u>\$196,439</u></b>

CLINTON TOWNSHIP, MICHIGAN  
Combining Statement of Revenues, Expenditures and Changes In Fund Balance  
Non-Major Governmental Funds  
For The Year Ended March 31, 2008

	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Cemetery</u>	<u>Cemetery Perpetual Care</u>	
<b><u>Revenues:</u></b>			
Charges for Services	\$ 12,770	\$ 513	\$ 13,283
Interest and Rents	9,848	1	9,849
Other Revenue	3,775	---	3,775
Contributions	1,855	---	1,855
<b>Total Revenue</b>	<u>28,248</u>	<u>514</u>	<u>28,762</u>
<b><u>Expenditures:</u></b>			
Cemetery	36,867	---	36,867
Cemetery Perpetual Care	---	335	335
<b>Total Expenditures</b>	<u>36,867</u>	<u>335</u>	<u>37,202</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<u>(8,619)</u>	<u>179</u>	<u>(8,440)</u>
<b><u>Other Financing Sources</u></b>			
<b><u>(Uses):</u></b>			
Operating Transfers In	11,100	---	11,100
Operating Transfers (Out)	---	---	---
<b>Total Other Financing Sources (Uses)</b>	<u>11,100</u>	<u>---</u>	<u>11,100</u>
<b><u>Excess of Revenues and Other Sources Over (Under) (Expenditures and Other Uses</u></b>	<u>2,481</u>	<u>179</u>	<u>2,660</u>
<b><u>Beginning Fund Balance (Deficit)</u></b>	<u>(284)</u>	<u>192,068</u>	<u>191,784</u>
<b><u>Ending Fund Balance</u></b>	<u>\$ 2,197</u>	<u>\$192,247</u>	<u>\$194,444</u>

The notes to financial statements are an integral part of this statement.

Page 29



# PHILIP R. RUBLEY

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'s  
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

May 23, 2008

Township Board  
Clinton Township  
Lenawee County  
P.O. Box G  
172 W. Michigan Ave.  
Clinton, Michigan 49236

We have examined the financial statements of the Clinton Township, Michigan as of and for the year ended March 31, 2008 and have issued our report thereon dated May 23, 2008. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statement and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2008, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Statement on Auditing Standards Pronouncement 112 requires us as auditors to communicate what we determine to be significant deficiencies and material weaknesses to management and those charged with governance in regards to internal control matters.

A significant deficiency is a control deficiency or combination of control deficiencies that creates the remote likelihood that a misstatement of the Township's financial statements is more than inconsequential and will not be prevented or detected.

1. **FINANCIAL STATEMENT PREPARATION**

Statement on Auditing Standards Pronouncement 112 requires evaluation as to the Township's ability to comply to GASB 34 financial statement presentation; and the Township's ability to prepare the financial statements in compliance thereof. We feel based on limited staff and resources that the Township can not comply with this requirement.

2. **SEGREGATION OF DUTIES**

Because of limited personnel the Township has a segregation of duties issue.

**OTHER MATTERS FOR CONSIDERATION**

These comments are not significant deficiencies but are suggestions to improve your existing accounting and control systems.

1. **DEPOSITS CUSTODIAL CREDIT RISK**

The Township presently has a custodial risk in the case of bank failure. Consider moving funds to an additional bank removing some risk, because of increased FDIC insurance coverage.

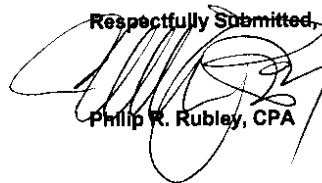
2. **SOFTWARE**

Major improvement over prior year, because of software modifications, however the system still has balancing problems concerning equity balances.

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated May 23, 2008, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Respectfully Submitted,



Philip R. Rubley, CPA